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Commission On Civilian Economy. Appropriation. Tax Deduction.

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Office of the Secretary of State
March Fong Eu

1230 J Street
Sacramento, California 95814

#501

ELECTIONS DIVISION
(916) 445-0820

For Hearing and Speech Impaired
Only:
(800) 833-8683

July 2, 1990

TO: ALL COUNTY CLERKS/REGISTRARS OF VOTERS AND
PROPOSERS (90143)

FROM: Caren Daniels-Meade
CAREN DANIELS-MEADE
CHIEF, ELECTIONS DIVISION

Pursuant to Elections Code section 3520(b) you are hereby notified that the total number of signatures to the hereinafter named proposed INITIATIVE STATUTE filed with all county elections official is less than 100 percent of the number of qualified voters required to find the petition sufficient; therefore, the petition has failed.

TITLE: COMMISSION ON CIVILIAN ECONOMY.
APPROPRIATION. TAX DEDUCTION.
INITIATIVE STATUTE.

SUMMARY DATE: January 22, 1990

PROPOSERS: Lila Garrett
Ronald A. DiNicola
Suzanna J. Marks

CDM/bl/cb





Office of the Secretary of State
March Fong Eu

1230 J Street
Sacramento, California 95814

ELECTIONS DIVISION
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#501

January 22, 1990

TO ALL REGISTRARS OF VOTERS, OR COUNTY CLERKS, AND PROPONENTS(90015)

Pursuant to Section 3513 of the Elections Code, we transmit herewith a copy of the Title and Summary prepared by the Attorney General on a proposed Initiative Measure entitled:

**COMMISSION ON CIVILIAN ECONOMY. APPROPRIATION.
TAX DEDUCTION.
INITIATIVE STATUTE.**

Circulating and Filing Schedule

1. Minimum number of signatures required.....372,178
Cal. Const., Art. II, Sec. 8(b).
2. Official Summary DateMonday, 01/22/90
Elec. C., Sec. 3513.
3. Petition Sections:
 - a. First day Proponent can circulate Sections for
signatures.....Monday, 01/22/90
Elec. C., Sec. 3513.
 - b. Last day Proponent can circulate and file with
the county. All sections are to be filed at
the same time within each
county.....Thursday, 06/21/90+
Elec. C., Secs. 3513, 3520(a)
 - c. Last day for county to determine total number of
signatures affixed to petition and to transmit total
to the Secretary of State.....Thursday, 06/28/90

(If the Proponents file the petition with the county on a date prior to 6/21/90, the county has five working days from the filing of the petition to determine the total number of signatures affixed to the petition and to transmit the total to the Secretary of State.) Elec. C., Sec. 3520(b).

- + **NOTE TO PROPONENTS WHO WISH TO QUALIFY FOR THE NOVEMBER 6, 1990 GENERAL ELECTION:** The law allows approximately 107 days for county election officials to check and report petition signatures and transmit results. The law also requires that this process be completed 131 days before the election in which the people will vote on the initiative. It is possible that the county may not need precisely 107 days. However, if you want to be sure that this initiative qualifies for the November 6, 1990 General Election, you should file this petition with the county before March 23, 1990.

- d. Secretary of State determines whether the total number of signatures filed with all county clerks meets the minimum number of required signatures, and notifies the counties
.....Saturday, 07/07/90**
- e. Last day for county to determine total number of qualified voters who signed the petition, and to transmit certificate with a blank copy of the petition to the Secretary of State
.....Friday, 07/27/90
- (If the Secretary of State notifies the county to determine the number of qualified voters who signed the petition on a date other than 6/28/90, the last day is no later than the fifteenth day after the county's receipt of notification.)
Elec. C., Sec. 3520(d), (e).
- f. If the signature count is more than 409,395 or less than 353,569, then the Secretary of State certifies the petition has qualified or failed, and notifies the counties. If the signature count is between 353,569 and 409,395 inclusive, then the Secretary of State notifies the counties using the random sampling technique to determine the validity of all signatures
.....Monday, 08/06/90**
- g. Last day for county to determine actual number of all qualified voters who signed the petition, and to transmit certificate with a blank copy of the petition to the Secretary of State
.....Wednesday, 09/19/90
- (If the Secretary of State notifies the county to determine the number of qualified voters who have signed the petition on a date other than 7/27/90, the last day is no later than the thirtieth working day after county's receipt of notification.)
Elec. C., Sec. 3521(b), (c).
- h. Secretary of State certifies whether the petition has been signed by the number of qualified voters required to declare the petition sufficient
.....Sunday, 09/23/90

**Date varies based on receipt of county certification.

4. The Proponents of the above-named measure are:

Lila Garrett
10390 Wilshire Blvd.
Apt. 1509
Los Angeles, CA 90024

Suzanne J. Marks
11443 Bolas Street
Los Angeles, CA 90049

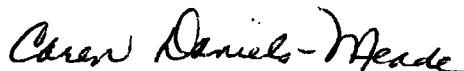
Ronald A. DiNicola
145 North Almont Drive
Apt. 314
Los Angeles, CA 90048

Voters To End The Arms Race
1431 Ocean Avenue, Suite B
Santa Monica, CA 90401
(213) 458-3381

5. Important Points:

- (a) California law prohibits the use of signatures, names and addresses gathered on Initiative petitions for any purpose other than to qualify the initiative measure for the ballot. This means that the petitions cannot be used to create or add to mailing lists or similar lists for any purpose, including fund raising or requests for support. Any such misuse constitutes a crime under California law. Elections Code section 29770; *Bilofsky v. Deukmejian* (1981) 123 Cal.App. 3d 825, 177 Cal.Rptr. 621; 63 Ops. Cal.Atty.Gen. 37 (1980).
- (b) Please refer to Elections Code sections 44, 3501, 3507, 3508, 3517, and 3519 for appropriate format and type consideration in printing, typing, and otherwise preparing your initiative petition for circulation and signatures. Please send a copy of the petition after you have it printed. This copy is not for our review or approval, but to supplement our file.
- (c) Your attention is directed to the campaign disclosure requirements of the Political Reform Act of 1974, Government Code section 81000 et seq.
- (d) When writing or calling state or county elections officials, provide the official title of the initiative which was prepared by the Attorney General. Use of this title will assist elections officials in referencing the proper file.
- (e) When a petition is presented to the county elections official for filing by someone other than the proponent, the required authorization shall include the name or names of the persons filing the petition.
- (f) When filing the petition with the county elections official, please provide a blank petition for elections official use.

Sincerely,



CAREN DANIELS-MEADE
Chief, Elections Division

JOHN K. VAN DE KAMP
Attorney General

State of California
DEPARTMENT OF JUSTICE



1515 K STREET, SUITE 511
P.O. BOX 944255
SACRAMENTO 94244-2550
(916) 445-9555

January 22, 1990

(916) 324-5508

FILED
In the office of the Secretary of State
of the State of California

JAN 22 1990

MARCH FONG EU, Secretary of State
By *[Signature]*
Deputy

Honorable March Fong Eu
Secretary of State
1230 J Street
Sacramento, CA 95814

Dear Mrs. Eu:

Initiative Title and Summary

Subject: COMMISSION ON CIVILIAN ECONOMY. APPROPRIATION.
TAX DEDUCTION. INITIATIVE STATUTE.

Our File No. SA 89 RF 0043

Pursuant to the provisions of sections 3503 and 3513 of the Elections Code, you are hereby notified that on this day we mailed to the proponents of the above-identified proposed initiative our title and summary.

Enclosed is a copy of our transmittal letter to the proponents, a copy of our title and summary, a declaration of mailing thereof, and a copy of the proposed measure.

According to information available in our records, the names and address of the proponents is as stated on the declaration of mailing.

Very truly yours,

JOHN K. VAN DE KAMP
Attorney General

[Signature]

MARY WHITCOMB
Initiative Coordinator

MW:ckm

Enclosures

Date: January 22, 1990
File No.: SA 89 RF 0043

The Attorney General of California has prepared the following title and summary of the chief purpose and points of the proposed measure:

COMMISSION ON CIVILIAN ECONOMY. APPROPRIATION. TAX

DEDUCTION. INITIATIVE STATUTE. Creates California Commission to Expand Civilian Economy. Authorizes commission to: urge United States and Soviet Union to reduce military budgets by half by 1997; request United States redirect military funds to various civilian purposes; propose legislation and programs to protect California's economy from adverse impact of transition from military to civilian economy; conduct legislative lobbying. Establishes special fund for commission with \$525,000 continuous annual appropriation. Authorizes tax deductible "voluntary checkoff" on tax return for donations to fund commission. After 10 years, Legislature may terminate commission by 2/3 vote. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: Requires annual state appropriation of \$525,000 (adjusted for inflation) from General Fund. Tax checkoff could result in \$300,000 to \$800,000 annually in additional funding which would be offset by minor state revenue losses due to tax deductibility.

VOTERS

To End the Arms Race

SA89RF0043

Amendment #1

BOARD OF DIRECTORS

Suzy Marks
CHAIR

Robert Willard
TREASURER

Bea Breslaw
Joyce Brody
Mary Clarke
Larry Frank
Lila Garrett
Wally Marks
Marc Merson
Nina Merson
Sue Miller
Clif Rosett
Pauline Saxon
Eleanor Wasson
Rebecca Wurzbarger

ADVISORY BOARD

Leonard I. Beerman
Robert M. Bowman
Bob Burkett
Irma Colen
Norman Cousins
Bob Edgar
Marjorie Fasman
Linda Feldman
Terry Garcia
Gertrude Kern
Seymour Melman
Lynda Palevsky
Alan Sieroty
Sheila Tobias
Linda Velasquez
Lisa Weinstein
Ted Williams

Mariette Vandermolen
COORDINATOR

Andrew Walzer
DIRECTOR OF
DEVELOPMENT

December 8, 1989

Office of the Attorney General
1515 K Street
Sacramento, Ca. 95814

RECEIVED
DEC 11 1989

INITIATIVE COORDINATOR
ATTORNEY GENERAL'S OFFICE

Dear Attorney General John Van de Kamp,

Enclosed please find an amended version of the initiative submitted on December 4, 1989.

Enclosed are two copies. One copy indicates where and what changes have been made and the second copy is a clean version of the amended measure.

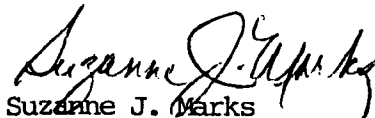
Please refer to the following pages for the highlighted changes. The "v" indicates where language was removed and the underline indicates added language. The changes are on pages 2, 3, 4, 5, 6, and 9.

The original proponents (all registered voters of Los Angeles County) are also the signators of this amended version.

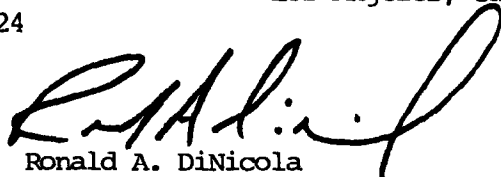
Thank you for your immediate attention.



Lila Garrett
10390 Wilshire Blvd.
Apt. 1509
Los Angeles, Ca. 90024



Suzanne J. Marks
11443 Bolas Street
Los Angeles, Ca. 90049



Ronald A. DiNicola
145 North Almont Drive Apt. 314
Los Angeles, Ca. 90048

SA89RF0043
Amendment #1

AN INITIATIVE TO SUPPORT CUTS
IN MILITARY SPENDING TO REBUILD AMERICA

(December 7, 1989)

Section 1. Purpose

The purpose of this initiative is:

1. To call upon the United States and the Soviet Union to cut their military budgets by at least, but not limited to, 7% a year resulting in a 50% reduction by the year 1997.

2. To call upon the United States to redirect military funds thus saved into restoring our environment; revitalizing our economy; rebuilding the infrastructure of our cities; reducing the budget deficit; providing affordable housing, education, health and child care; improving public transit; instituting programs for the prevention of drug abuse; restoring safety to our streets; and attending to the other vital needs of our citizens.

3. To establish a commission in the State of California for the purpose of assisting industries, workers, and communities in the transition from military to civilian production.

Section 2. The California Commission To Expand
The Civilian Economy

Chapter 2 (commencing with section 13985) is added to Part 4.5 of Division 3 of Title 2 of the Government Code to read:

Section 13985.

(a) Findings. The People of California do hereby find:

(1) Our military budget has more than doubled from 1980 to 1990 (from \$140 billion to \$305 billion) which now represents about half of the federal government's discretionary spending.

(2) The national debt has tripled in the last ten years. Interest on the national debt now costs American taxpayers \$169 billion annually.

(3) At the current level of spending, the military budget will cost the American people \$3 trillion over

the next ten years. Government sources indicate that with one-half of \$3 trillion we could:

(i) Restore the nation's highways (\$315 billion);

(ii) Repair and replace the nations 240,000 bridges (\$50 billion);

(iii) Clean up the thousands of hazardous waste sites and reduce sulfur dioxide emissions (acid rain) across the nation (\$335 billion);

(iv) Satisfy the pressing need for basic improvements in the nation's education system, and provide adequate child care and senior citizen care (\$300 billion);

(v) Address the nation's affordable housing shortage and homelessness problem (\$300 billion);

(vi) Improve the public health system, and deal adequately with the problems of drug abuse, AIDS, and child immunization (\$82 billion); and

(vii) Modernize the nation's air traffic control system (\$25 billion).

(4) Currently the United States allocates a substantial amount annually to the military security of nearly 100 nations, including at least \$150 billion for NATO alone.

(5) The United States Government is in a position to improve our national security as well as the security of all nations by promptly negotiating and concluding, mutually verifiable agreements with the Soviet Union to end the arms race and reduce weapons and troops to actual defense needs. Such agreements will lead to further reductions in the United States' military budget.

(6) As much as 66% of the United States Government's research and development spending has been given to military projects rather than to the private sector. This policy has seriously undermined our competitiveness in the world economy.

(7) Studies show that dollar for dollar, more jobs are created by shifting spending from military production to non-military alternatives. For example, according to the U.S. Conference of Mayors, a \$150 billion shift from military spending over a ten year period could create 2 million new jobs.

(b) Declarations. The People of California do hereby declare:

(1) As military spending is reduced by the government of the United States in response to the improving relations with the Soviet Union and reduced tension in Eastern Europe, California needs to prepare for a smooth transition to an economy based more on production for civilian needs and less on military production. A policy of economic diversification should be adopted to protect the economic livelihood of workers and communities that presently depend on military spending.

(2) To promote and facilitate these ends and to ensure, in California, an orderly transition of economic resources from military oriented purposes to civilian uses, the people hereby establish the California Commission To Expand The Civilian Economy.

Section 13985.5.

Unless the contrary is stated or clearly appears from the context, the definitions set forth in this section shall govern the interpretation of this chapter:

(a) "Commission" means the California Commission To Expand The Civilian Economy.

(b) "To Expand The Civilian Economy" refers to the political, economic, and technical process for assuring the orderly transformation of labor, machinery and other economic resources now being used for military-oriented purposes to alternative civilian uses.

Section 13986.

(a) There is hereby created within the Business, Transportation and Housing Agency, the California Commission To Expand The Civilian Economy. The commission shall be composed of 15 members appointed by the Governor, the Senate Rules Committee and the Speaker of the Assembly. Each appointing authority shall select one member from the following categories as follows:

(1) Three public sector members;

(2) Three administrators or faculty members from the University of California, the California State University, the California community colleges, or the State Department of Education;

(3) Three members from organized labor;
(4) Three members from the business community;
and

(5) Three members from the private sector who have demonstrated a commitment to the reduction of military spending.

(b) In making appointments, the Governor, Senate Rules Committee, and Speaker of the Assembly shall be guided by the commitment of the prospective appointees to the purposes of this act and the expansion of the civilian economy.

(c) The members of the commission shall be appointed within 60 days of the effective date of this chapter. Any vacancy in the commission shall not affect its powers but shall be filled in the same manner in which the original appointment was made. The term of office of each member of the commission shall be four years except that two of the appointments of each of the appointing authorities shall initially serve two-year terms. Any member appointed to fill a vacancy shall serve for the remainder of the term for which his predecessor was appointed.

Section 13986.5.

(a) The commission shall elect a chair and vice-chair to serve in the chair's absence.

(b) The commission shall meet not fewer than four times each year at the call of the chair. A majority of the sitting members of the commission shall constitute a quorum, but a lesser number may conduct hearings. Any recommendation may be passed only by a majority of the commission members.

Section 13987.

(a) The commission shall have the following powers and duties:

(1) To develop and propose legislation and programs to protect California's economy, specifically the economic livelihood of workers and communities which may be adversely impacted by the reduction in military contracts and the closure of military bases;

(2) To develop and adopt rules consistent with the provisions of the chapter;

(3) To engage in legislative advocacy;

(4) To design specific programs, including economic incentives, to assist companies that have military contracts in developing non-military alternative uses for their facilities;

(5) To assist in planning the transition process of converting from military to civilian production for those cities and communities that are heavily dependent on high levels of military spending and to encourage creative planning for new jobs in the civilian sector as these communities shift from reliance on military spending;

(6) To lobby the state and federal government to pass adequate legislation to assist California in dealing with the short term adverse impacts of reduced military spending;

(7) To call upon the United States and the Soviet Union to cut their military budgets by at least, but not limited to, 7% a year resulting in a 50% reduction by the year 1997;

(8) To call upon the United States to redirect military funds thus saved into restoring our environment; revitalizing our economy; rebuilding the infrastructure of our cities; reducing the budget deficit; providing affordable housing, education, health and child care; improving public transit; instituting programs for the prevention of drug abuse; restoring safety to our streets; and attending to the other vital needs of our citizens;

(9) To gather and dispense information, and foster public awareness relative to its functions;

(10) To establish offices, enter into contracts, hire consultants, and accept voluntary contributions; and

(11) To do all things necessary and proper in the exercise of the commission's functions.

(b) The commission shall operate as part of the existing Business, Transportation and Housing Agency and shall have its first meeting by July 1, 1991.

(c) After 10 years, the state legislature shall have the right to review the continuance of the commission and terminate its existence if by two-thirds vote both houses agree there is no longer a need for the commission.

Section 13987.5.

(a) The commission shall appoint an executive director and such staff as the commission shall designate. The executive

director shall be exempt from civil service and shall serve at the pleasure of the commission.

(b) The Business, Transportation and Housing Agency shall make staff and facilities available to the commission as needed.

Section 13987.7.

The Fund To Expand The Civilian Economy is hereby established as a special fund in the State Treasury. This Fund shall be administered by the commission and these monies shall be continuously appropriated to pay for the commission's expenses and programs. The Fund shall consist of private sector monies which may be made available, any funds appropriated pursuant to this chapter or by the legislature, contributions designated pursuant to Section 18547.5 of the Revenue and Taxation Code, federal funds, and when available, other state funds.

Section 13988.

The commission shall submit to the Department of Finance an annual budget, for inclusion in the budget of the Business, Transportation and Housing Agency showing funding from all sources.

Section 13988.5

(a) The controller shall annually transfer \$525,000 from the general fund to the Fund To Expand The Civilian Economy for this chapter. The amount provided herein shall be adjusted annually to reflect the change in the Consumer Price Index for the State of California as determined by the Department of Industrial Relations. The amount provided herein represents approximately 1.5 cents per person in California. The Commission shall be empowered to expend monies from the Fund to Expand the Civilian Economy. The Fund to Expand the Civilian Economy shall be used to fund the work of the commission including, but not limited to, salaries; facilities and equipment; research and development; expert consultation expenses; and publications and reports.

(b) The commission shall determine whether unspent funds from one fiscal year shall carry over and be added to its budget for the next fiscal year or be returned to the general fund.

Section 13988.7.

Members of the commission shall serve without pay but shall be entitled to a per diem allowance not to exceed one hundred dollars (\$100) for each day's attendance at a meeting of the commission or a subcommittee thereof, and reimbursement for expenses issued in the performance of their duties under this chapter, including travel and other necessary expenses.

Section 13989.

The commission shall make an annual report of its findings and recommendations to the Governor and the Legislature. The commission may make interim reports or recommendations to the Governor, the Legislature, or the heads of other departments and agencies, which it may deem desirable. The commission shall include in any report made under this section any minority or dissenting views submitted by any member of the commission. The report shall document what the commission has done to fulfill its mandated responsibilities and what remains to be done. The report shall document what actions have been taken with respect to expanding the civilian economy by the Governor, the State Legislature, and California's U.S. Senators and Representatives. The first such report will be produced by March 1992. A copy of each annual report shall be transmitted by the Commission Chair and Vice-Chair to the President and Vice-President of the United States, the Secretary of Defense, the Secretary of State, and all members of the United States Congress.

Section 13989.5.

The Governor of the State of California shall take the appropriate steps to distribute the annual report of the Commission, and make known its findings and recommendations, to the National Governors' Association ("Association") at their conference as follows:

(a) The Governor shall submit each annual report to the chair of the Association and the chairman of the Association's Economic Development and Technological Innovation Committee (the "Committee") and request of each that the report be distributed to the membership at the summer session; and

(b) The Governor shall make a request to the chair of the Association, the Association Executive Committee, and the chairman of the Committee that he be provided an opportunity to discuss the findings and recommendations contained in the annual report before the Committee and at a plenary meeting of the Governors during each summer session in the years 1992, 1996, and 2000.

Section 3. Amendments To The Revenue and Taxation Code.

The Revenue and Taxation Code is hereby amended to add Article 8.5 (commencing with Section 18547) to Chapter 2 of Part 10 of Division 2. The Article shall be entitled "Designation to the California Commission to Expand The Civilian Economy" and shall provide as follows:

Section 18547.

(a) Findings. The People of California do hereby find:

(1) Our military budget has more than doubled from 1980 to 1990 (from \$140 billion to \$305 billion) which now represents about half of the federal government's discretionary spending.

(2) The national debt has tripled in the last ten years. Interest on the national debt now costs American taxpayers \$169 billion annually.

(3) At the current level of spending, the military budget will cost the American people \$3 trillion over the next ten years. Government sources indicate that with one-half of \$3 trillion we could:

(i) Restore the nation's highways (\$315 billion);

(ii) Repair and replace the nations 240,000 bridges (\$50 billion);

(iii) Clean up the thousands of hazardous waste sites and reduce sulfur dioxide emissions (acid rain) across the nation (\$335 billion);

(iv) Satisfy the pressing need for basic improvements in the nation's education system, and provide adequate child care and senior citizen care (\$300 billion);

(v) Address the nation's affordable housing shortage and homelessness problem (\$300 billion);

(vi) Improve the public health system, and deal adequately with the problems of drug abuse, AIDS, and child immunization. (\$82 billion); and

(vii) Modernize the nation's air traffic control system (\$25 billion).

(4) Currently the United States allocates a substantial amount annually to the military security of nearly 100 nations, including at least \$150 billion for NATO alone.

(5) The United States Government is in a position to improve our national security as well as the security of all nations by promptly negotiating and concluding, mutually verifiable agreements with the Soviet Union to end the arms race and reduce weapons and troops to actual defense needs. Such agreements will lead to further reductions in the United States' military budget.

(6) As much as 66% of the United States Government's research and development spending has been given to military projects rather than to the private sector. This policy has seriously undermined our competitiveness in the world economy.

(7) Studies show that dollar for dollar, more jobs are created by shifting spending from military production to non-military alternatives. For example, according to the U.S. Conference of Mayors, a \$150 billion shift from military spending over a ten year period will create 2 million new jobs. These jobs will contribute to rebuilding America and addressing our citizen's needs.

(b) Declarations. The People of California do hereby declare:

(1) As military spending is reduced by the government of the United States in response to the improving relations with the Soviet Union and reduced tension in Eastern Europe, California needs to prepare for a smooth transition to an economy based more on production for civilian needs and less on military production. A policy of economic diversification should be adopted to protect the economic livelihood of workers and communities that presently depend on military spending.

(2) To promote and facilitate these ends and to ensure, in California, an orderly transition of economic resources from military oriented purposes to civilian uses, the people hereby establish the California Commission To Expand The Civilian Economy.

Section 18547.5.

(a) Any taxpayer may designate on the tax return that a contribution in excess of the tax liability, if any, be made to the Fund To Expand The Civilian Economy, which is established by section 13987.7 of the Government Code. That designation is to be used as a voluntary checkoff on the tax return.

(b) The contributions shall be in full dollar amounts and may be made individually by each signatory on the joint return.

(c) A designation under subdivision (a) shall be made for any taxable year on the individual return for that taxable year, and once made shall be irrevocable. In the event that payments and credits reported on the return, together with any other credits associated with the taxpayer's account, do not exceed the taxpayer's liability, the return shall be treated as though no designation has been made. In the event that no designee is specified, the contribution shall be transferred to the General Fund, after reimbursement of the direct actual costs of the Franchise Tax Board for the collection and the administration of funds under this article.

(d) In the event a taxpayer designates a contribution to more than one account, and the amount available is insufficient to satisfy the total amount designated, the contribution shall be allocated among the designees on a pro rata basis.

(e) The Franchise Tax Board shall revise the forms of the return to include a space labeled the "Fund To Expand The Civilian Economy" to allow for the designation permitted under subdivision (a). The forms shall also include in the instructions information that the contribution may be in the amount of one dollar (\$1) or more and that the contribution shall be used to support the activities of the California Commission to Expand The Civilian Economy.

(f) A deduction shall be allowed under Article 6 (Commencing with Section 17201) of Chapter 3 for any contribution made pursuant to subdivision (a).

Section 18548.

The Franchise Tax Board shall notify the Controller of both the amount of money paid by taxpayers in excess of their tax liability and the amount of refund money which taxpayers have designated pursuant to Section 18547.5 to be transferred to the Fund To Expand The Civilian Economy. The Controller shall transfer from the Personal Income Tax Fund to the Fund To Expand The Civilian Economy the amount designated by individuals pursuant to Section 18547.5 for payment into that fund.

Section 4. Severability.

(a) This act shall be liberally construed and applied in order to fully promote its underlying purposes.

(b) If any provision of this act or the application thereof to any person or circumstances is held invalid, that invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are severable.

Section 5. Federal Supremacy.

Nothing herein shall be construed to deny federal supremacy in national defense and foreign affairs.

Section 6. Amendments.

The provisions of this chapter may be amended by the Legislature by statute passed in each house by a two-thirds vote. Any amendments must be consistent with the purposes of the act.

JOHN K. VAN DE KAMP
Attorney General

State of California
DEPARTMENT OF JUSTICE



1515 K STREET, SUITE 511
P.O. BOX 944255
SACRAMENTO 94244-2550
(916) 445-9555
(916) 324-5508

January 22, 1990

Lila Garrett
Suzanne Marks
Ronald DiNicola

1431 Ocean Avenue, Ste. B
Santa Monica, CA 90401

Dear Proponents:

Initiative Title and Summary
Subject: COMMISSION ON CIVILIAN ECONOMY. APPROPRIATION.
TAX DEDUCTION. INITIATIVE STATUTE.
Our File No. SA 89 RF 0043

Pursuant to your request, we have prepared the attached title and summary of the chief purposes and points of the above-identified proposed initiative. A copy of our letter to the Secretary of State, as required by Elections Code sections 3503 and 3513, our declaration of mailing, and the text of your proposal that was considered is attached.

The Secretary of State will be sending you shortly a copy of the circulating and filing schedule for your proposal that will be issued by that office.

Please send us a copy of the petition after you have it printed. This copy is not for our review or approval, but to supplement our file in this matter.

Very truly yours,

JOHN K. VAN DE KAMP
Attorney General

A handwritten signature in cursive script that reads "Mary Whitcomb".

MARY WHITCOMB
Initiative Coordinator

MW:ckm

Enclosures

DECLARATION OF MAILING

The undersigned Declarant states as follows:

I am over the age of 18 years and not a proponent of the within matter; my place of employment and business address is 1515 K Street, Suite 511, Sacramento, California 95814.

On the date shown below, I mailed a copy or copies of the attached letter to the proponents, by placing a true copy thereof in an envelope addressed to the proponents named below at the addresses indicated, and by sealing and depositing said envelope or envelopes in the United States mail at Sacramento, California, with postage prepaid. There is delivery service by United States mail at each of the places so addressed, or there is regular communication by mail between the place of mailing and each of the places so addressed.

Date of Mailing: January 22, 1990

Subject: COMMISSION ON CIVILIAN ECONOMY. APPROPRIATION.
TAX DEDUCTION. INITIATIVE STATUTE.

Our File No. SA 89 RF 0043

Name of Proponents and Address:

Lila Garrett
Suzanne Marks
Ronald DiNicola

1431 Ocean Avenue, Ste. B
Santa Monica, CA 90401

I declare under penalty of perjury that the foregoing is true and correct.

Executed at Sacramento, California, on: January 22, 1990.


CHARLENE K. MCDANIEL
Declarant

4997. 500, 501
5042

Cathy Matched

NEWS RELEASE

from: Secretary of State March Fong Eu
1230 J Street, Sacramento, CA 95814
(916) 445-6375

For Immediate Release
January 23, 1990

Contact: Melissa Warren

THREE MORE INITIATIVES GO OUT FOR SIGNATURE, REPORTS EU

SACRAMENTO — Prison inmate labor, a House of Commons and expansion of civilian economy are the subjects of three new initiative measures certified to begin circulating for signatures, Secretary of State March Fong Eu announced today (Jan. 23).

Governor George Deukmejian is the proponent of "Prison Inmate Labor. Tax Credit," an initiative constitutional amendment and statute that would permit state prison and county jail officials to contract with public entities, profit or nonprofit organizations, businesses and entities "for the purpose of conducting programs which use inmate labor," except in strike or lockout situations. It would require the director of corrections to establish joint venture programs within the state prisons to allow employers to hire inmates "for the purpose of producing goods or services." Inmate wages would be comparable with non-inmate wages for similar work and be subject to deductions for taxes, room and board, lawful restitution fines or victim compensation, and family support. Finally, it would allow inmates' employers a ten-percent-of-wage tax credit against specified state taxes.

Governor Deukmejian can be reached at (916) 448-3853.

Eric Jacobson of Los Angeles, telephone (213) 204-0677, is heading the drive to qualify "House of Commons," an initiative constitutional amendment, for the

(over)

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all
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ballot. It would create a House of Commons composed of all the registered voters of the state, "sitting in constituent groups not to exceed 500 voters, at venues proximate to their regular polling places. . . ," at specified dates and times. Legislative measures to increase or decrease taxes or that were deemed to be of statewide importance would require a majority vote of the constituent groups. Similar measures that affect local government would require a majority vote of the affected groups. It would require the incumbent secretary of state to issue standard rules of conduct for and commission the design of a seal for the House of Commons. It would preserve the constitutional limitation on ad valorem real property taxation, but repeal the governmental appropriations limits, reimbursement of state-mandated local costs, two-thirds vote of the Legislature for tax increases and the requirement for a two-thirds voter approval for special local tax increases.

As constitutional amendments, both of these measures require 595,485 signatures of registered voters to be placed on the ballot. The legal 150-day deadline for submission of signatures is June 21; however, all proponents wishing to place measures on the Nov. 6, 1990 general election ballot are encouraged to submit signatures by Mar. 23, in order to allow sufficient time for the full signature verification process, if necessary, before the June 28 measure qualification deadline.

"Commission on Civilian Economy. Appropriation. Tax Deduction" is an initiative statute sponsored by Lila Garrett, Suzanne J. Marks and Ronald A. DiNicola of Los Angeles and Voters to End the Arms Race, telephone (213) 458-3381. They must submit 372,178 registered voter signatures on the same schedule to place their measure before the voters in November.

(more)

If adopted, the measure would create the California Commission to Expand Civilian Economy, authorized to urge the United States and the Soviet Union to reduce military budgets by half by 1997; to request that the United States redirect military funds to various civilian purposes; to propose legislation and programs to protect the state's economy from the adverse impact of transition from military to civilian economy; and to conduct legislative lobbying. It would establish a special fund for the support of the commission with a continuous annual appropriation of \$525,000. Voters could make donations to the special fund through a tax-deductible "voluntary checkoff" of their tax returns. After ten years, the Legislature could terminate the commission by a two-thirds vote.

Copies of the circulation calendars and titles and summaries are attached. The full texts of the measures can be obtained from the secretary of state's elections division, 1230 J St., Sacramento, CA 95814, (916) 445-0820.

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NOTE: The measure qualification deadline for November ballot measures is Jun. 28, not Jun. 26 as previously reported. Mea culpa — sorry to mislead you.